

## **Six Months Later: The GOP Tax Scam is Helping the Wealthy, Harming the Middle Class**

*Today marks the six-month anniversary of President Trump signing the GOP Tax Scam into law, which was jammed through Congress without a single hearing or testimony from a witness. Here's a look at how Americans are being left behind by the law six months after its enactment.*

### **SMALL BUSINESSES**

*While large corporations are using their tax windfall to enrich shareholders through record-breaking stock buybacks and dividends, small businesses that cannot afford tax lawyers are facing a great deal of complexity and uncertainty about how the law will affect them.*

“Many [small businesses] are **struggling with speed bumps**—such as the complexity of the new deduction for pass-throughs—especially in the absence of guidance, tax professionals said.” [Bloomberg, [6/13/18](#)]

“Five months after massive federal tax changes became law, **many small business owners still don't know whether they'll be winners or losers...** Big corporations already know their tax rates are falling, and all businesses can get bigger deductions for equipment purchases. **But small business owners and tax advisers are still waiting for the IRS to write regulations and guidelines explaining and enforcing many parts of the law that is itself more than 500 pages long...**” [AP, [5/23/18](#)]

“Jady Regard, the owner of Cane River Pecan Company in New Iberia, Louisiana, which makes gourmet pecan gifts, said he didn't really understand the tax law nor how it might impact his business.... Regard is not alone in feeling confused about the tax law.” [PBS News, [2/27/18](#)]

**Brad Close, a senior vice president for public policy at the National Federation of Independent Businesses (NFIB):** “There are so many moving parts of the tax law that impact a small business as a pass-through that they're not going to know until the end of the year...There's a lot that is too much right now for the little guy to figure out.”

### **WORKING FAMILIES**

*Republicans promised that working families would see a \$4,000 raise as a result of the tax law, but instead wages are falling and some workers are seeing layoffs.*

“The average hourly wage paid to a key group of American workers has fallen from last year **when accounting for inflation**, as an economy that appears strong by several measures continues to **fail to create bigger paychecks**, the federal government said Tuesday. For workers in ‘production and nonsupervisory’ positions, the value of the average paycheck has actually declined in the past year. For those workers, average ‘real wages’ — a measure of pay that takes inflation into account — fell from \$22.62 in May 2017 to \$22.59 in May 2018, the Bureau of Labor Statistics said... **The falling wages promise to exacerbate historic levels of U.S. inequality.** Within the labor force, it means workers who were already making less are falling further behind.” [Washington Post, [6/15/18](#)]

“In September 2017, House Speaker Paul Ryan traveled to a Harley-Davidson plant in Menomonee Falls, Wisconsin, to tout the Republican tax bill, which President Trump would sign later that year... **Four months later and 500 miles away in Kansas City, Missouri, 800 workers at a Harley-Davidson factory were told they would lose their jobs when the plant closed its doors...** Just days later, the company announced a dividend increase and a stock buyback plan to repurchase 15 million of its shares, valued at about \$696 million... **Meanwhile, Harley-Davidson is opening up a plant in Thailand, where it plans to start production later this year.**” [Vox, [5/22/18](#)]

***In addition, due to the repeal of the individual mandate in the ACA, the GOP tax scam will lead to 13 million Americans losing insurance and will mean higher costs for millions more.***

“ObamaCare premiums are expected to rise an average of 15 percent next year, an increase largely due to the GOP’s repeal of the law’s individual mandate, according to a Congressional Budget Office (CBO) analysis released Wednesday. The CBO estimates that gutting the requirement that Americans have health insurance or face a tax penalty will contribute to about **a 10 percent rise in premiums for 2019**, with insurers expected to see healthier people dropping out of the marketplaces, leaving sicker enrollees on the plans.” [The Hill, [5/23/18](#)]

***A joint report by enter for Health Policy at the Brookings Institution and the USC Schaeffer Center for Health Policy & Economics found that ending the individual mandate will reverse coverage gains from the Affordable Care Act:***

“[Ending the individual mandate will result in] A meaningful increase in the number of uninsured. [and] The coming reduction in insurance coverage due to repeal of the individual mandate will likely prove hard to reverse.” [Health Care Dive, [6/4/18](#)]

### **OLDER AMERICANS**

***The Republican tax law has reduced revenues that support the Medicare Hospital Insurance Trust Fund and its repeal of the individual mandate will leave more Americans uninsured, increasing uncompensated care costs. As a direct result, Medicare is now projected to become insolvent in just eight years, three years earlier than previously projected.***

“Yesterday, we learned what happens when Republicans trying to rein in government tackle the tax side of the equation but not the spending side.... The result: **a Medicare program that is projected to run out of money just eight years from now, in 2026...** That tax measure’s income tax cuts — **combined with reduced payroll tax collections because of lowered wages last year — are the two main reasons** for the worsening financial outlook for the part of Medicare that reimburses hospitals for caring for seniors and the disabled.” [Washington Post, [6/6/18](#)]

“The Trump Administration is taking steps that will sharply raise insurance premiums for people aged 50 to 64, just before they become eligible for Medicare... AARP estimates that 25 million people, or 40% of those 50 to 64, have a condition that could disqualify them from non-group insurance.... Many older people won’t buy insurance at all, risking their health and, very likely, raising costs to government.” [Howard Gleckman in Forbes, [6/21/18](#)]